

**Assembly Bill No. 2724**

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Passed the Assembly August 24, 2010

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*Chief Clerk of the Assembly*

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Passed the Senate August 23, 2010

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2010, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 399.22 to, and to add and repeal Section 2853 of, the Public Utilities Code, relating to energy.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2724, Blumenfield. Renewable energy resources.

(1) Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires every electrical corporation to file with the CPUC a standard tariff for electricity generated by an electric generation facility, as defined, that qualifies for the tariff, is owned and operated by a retail customer of the electrical corporation, and is located within the service territory of, and developed to sell electricity to, the electrical corporation. Existing law requires that, in order to qualify for the tariff, the electric generation facility: (1) have an effective capacity of not more than 3 megawatts, subject to the authority of the CPUC to reduce this megawatt limitation, (2) be interconnected and operate in parallel with the electric transmission and distribution grid, (3) be strategically located and interconnected to the electric transmission system in a manner that optimizes the deliverability of electricity generated at the facility to load centers, and (4) meet the definition of an eligible renewable energy resource under the California Renewables Portfolio Standard Program (RPS program). Existing law requires that the tariff provide for payment for every kilowatthour of electricity purchased from an electric generation facility for a period of 10, 15, or 20 years, as authorized by the CPUC, and requires that the payment be the market price referent established by the CPUC pursuant to the RPS program and requires the price to include all current and anticipated environmental compliance costs. Existing decisions of the CPUC refer to a tariff adopted pursuant to these requirements as a feed-in tariff.

Existing law requires a local publicly owned electric utility that sells electricity at retail to 75,000 or more customers to adopt and implement a feed-in tariff for electricity purchased from an electric generation facility meeting certain size, deliverability, and interconnection requirements and to consider certain factors.

This bill would require a state agency, as defined, generating electricity from an electric generation facility that operates under a feed-in tariff adopted pursuant to these requirements, and that is owned by, operated by, or on property under the control of, the state agency, to take the total annual amount of kilowatthours exported to the grid into consideration when determining whether the state agency has achieved the policy goals and objectives established by law or executive order for the state agency.

(2) Decisions of the CPUC adopted the California Solar Initiative. Existing law requires the CPUC to undertake certain steps in implementing the California Solar Initiative including the requirement that the CPUC authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems, as defined, that meet the eligibility criteria established by the State Energy Resources Conservation and Development Commission (Energy Commission).

This bill, until January 1, 2013, would require the CPUC to authorize the award of monetary incentives for up to 5 megawatts of alternating current generated by an eligible state solar energy system, as defined. The bill would require the CPUC to limit any incentives provided for eligible state solar energy systems to an aggregate of 26 megawatts of alternating current.

*The people of the State of California do enact as follows:*

SECTION 1. Section 399.22 is added to the Public Utilities Code, to read:

399.22. (a) For purposes of this section, “state agency” means any state agency, board, department, or commission, including the entities specified in subdivision (a) of Section 15814.12 of the Government Code.

(b) A state agency generating electricity from an electric generation facility, as defined in Section 387.6 or 399.20, that operates under a tariff adopted pursuant to either of those sections, and that is owned by, operated by, or on property under the control of, the state agency shall take the total annual amount of kilowatthours exported to the grid into consideration when determining whether the state agency has achieved the policy goals and objectives established by law for the state agency.

SEC. 2. Section 2853 is added to the Public Utilities Code, to read:

2853. (a) For purposes of this section, “eligible state solar energy system” means a solar energy system that meets all of the following requirements:

(1) Is an eligible renewable energy resource pursuant to Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1.

(2) Meets the eligibility criteria established by the Energy Commission pursuant to Chapter 8.8 (commencing with Section 25780) of Division 15 of the Public Resources Code.

(3) Is owned by, operated by, or on property under the control of, a state agency. For these purposes, premises that are leased by a state agency are under the control of the state agency.

(4) Is sized to generate electricity for use on the premises and the state agency does not sell electricity exported to the electrical grid to a third party.

(b) In addition to an award of monetary incentives for the first megawatt pursuant to Section 2851, the commission shall authorize the award of monetary incentives for alternating current generated by an eligible state solar energy system above the first megawatt, up to five megawatts of alternating current.

(c) The commission shall limit the monetary incentives awarded pursuant to subdivision (b) to an aggregate of 26 megawatts of alternating current.

(d) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.







Approved \_\_\_\_\_, 2010

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*Governor*